Gains from Multilateral Agreement

1857. SHRI CHIMANBHAI MEHTA:
SHRIMATI RENUKA CHOWDHURY:
SHRI ANANTRAY DEVSHANKER DAVE:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that India is unlikely to gain much from multilateral agreement on financial services and movement of natural persons concluded at the behest of World Trade Organisation at Geneva recently; and

(b) what are the advantages and disadvantages of multilateral agreement?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b) The advantages or implications of the recently concluded negotiations on financial services and movement of natural persons, for India, should be considered in the light of the fact that India was not a major demandeur on financial services but was looking for improvements in market access opportunities for our skilled personnel. While the offers tabled in December 1993 by our major trading partners contained provisions on the movement of natural persons with commercial presence, there were limited offers on the movement of personel without commercial presence. The European Union, Norway and Switzerland which so far had not scheduled any commitments on the movement of natural persons without commercial presence have done so in these negotiations. The US had tabled such an offer in December 1993 while Canada has made a marginal improvement in its December 1993 schedule. Overall, now a larger market access package is available for our skilled personnel as compared to the situation in December 1993. These negotiations have also established the principle that for international trade in services to be conducted on the basis of inherent comparative advantage, the movement of natural persons who are providers of services will need to be facilitated.

In the area of Financial Services, our offers on banking and financial services are well within the current policy parameters. Sufficient safeguards have been provided to give primacy to our domestic laws and regulations. There are no offers in life or non-life insurance sectors as our current policies do not permit foreign investments in these sectors. It is felt that offers of various countries under the WTO framework will provide transparency, predictability and multilateral discipline which will impart a greater degree of investor confidence. As the financial sector in India grows and matures, it can also look for export opportunities that have become available as a result of the financial services agreement.

Retrenchment of Workers

1858. SHRI SANJAY DALMIA:
MAULANA OBAIDULLAH KHAN AZMI:

Will the Minister of LABOUR be pleased to state:

(a) whether the workers, during the centenary conference of the Confederation of Indian Industry, organised recently in New Delhi, have been assured that retrenchment in employment will not be permitted as a consequence of upgradation and modernization of units;

(b) if so, the details thereof with measures to be taken in this regard;

(c) whether these measures will be applicable to all industrial units in the country; and

(d) if so, the details thereof?

THE MINISTER OF LABOUR (SHRI P.A. SANGMA): (a) to (d) The new industrial policy declared that Government will fully protect the interests of labour, enhance their welfare and equip them in all respects to deal with the inevitability of technological changes. Union Labour Minister while addressing the Centenary Conference of Confederation of Indian Industry in New' Delhi had inter-alia assured the workers that modernisation and upgradation necessarily did not mean cutting down employment. Government has established the National Renewal Fund as a social safety net for workers adversely affected by industrial restructuring. The Fund inter-alia provides for financial assistance to cover the costs of retraining and redeployment of employees